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SUBJECT: PRESIDENT TRIET REPORTEDLY ILL, AGAIN; PM DUNG
MOVES ARMY LEADERS

HANOI 00000947 001.2 OF 002

Classified By: Pol Counselor Brian Aggeler for Reasons 1.4 (B and D)

Summary

¶1. (C) Well-placed contacts say President Nguyen Minh Triet's prostate cancer has reappeared, but they provide different accounts as to whether he offered to resign. Our contacts tell us Politburo members do not want Triet to step aside because they worry that, given recent economic problems, lack of progress in fighting corruption and the President's strong economic and anti-corruption credentials, the public would not believe he resigned for health reasons. Separately, Prime Minister Nguyen Tan Dung reassigned several Army generals and promoted some colonels to generals in late July. Some press accounts quote sources saying the generals were fired for being corrupt and pro-China and that the moves show there are rifts between the Government and the military. However, a contact who deals regularly with the Vietnamese military told us the decisions were nothing out of the ordinary; he says the Prime Minister and Defense Minister actually saw eye-to-eye on the moves. End Summary.

President Battles Prostate Cancer

¶2. (C) Party and Government sources close to President Nguyen Minh Triet told us Triet's prostate cancer has returned, although these sources offer varying accounts as to whether he offered to quit. Reporters from Vietnam's State-controlled newspapers told us that Triet formally submitted a letter of resignation to the Party Central Committee last month. However, Colonel Tran Nhung, who is a Triet backer and a former editor of the military's official mouthpiece ("Quan Doi Nhan Dan" -- The People's Army), said the President informed the Politburo his prostate cancer had returned, but did not offer to step aside. Triet reportedly first became ill with prostate cancer in 2004, at which time he sought medical attention in Singapore. By the time Triet was selected as President in 2006, his cancer was in remission.

¶3. (C) We discussed Triet's situation with the Party External Relations Commission's Nguyen Van Hung and separately with Vietnam Television's (VTV) Nguyen Van Minh. Hung is close to Hanoi Party bosses while Minh is close to Triet's faction; both are Party members who because of their positions are privy to sensitive Party information. Both said Triet likely provided news on his health to General Secretary Nong Duc Manh, National Assembly Chairman Nguyen Phu Trong, Prime Minister Nguyen Tan Dung and Party Secretariat Head Truong Tan Sang before telling other Party officials.

¶4. (C) Hung and Minh both assessed that Triet likely would not resign in the near-term because the public regards the

President as an "open, frank and dynamic leader," they explained. Top Party officials fear recent inflation problems and lack of success in fighting corruption have caused the public to "lose trust in the Party and Government," they said. If an economic reformer and anti-corruption leader like Triet stepped aside at this time, people would not believe it was for health reasons, they added. Politburo members who obsess over political stability want Triet to stay on to avoid angering the public, they stated. Colonel Nhung said that GS Manh encouraged Triet to continue as president until the latter "cannot lead any more."

PM Moves Military Leaders

15. (SBU) Separately, Prime Minister Nguyen Tan Dung reassigned several generals and promoted some colonels to the rank of general in late July. The moves created a stir in the Vietnamese blogosphere and some international press accounts depicted the reshuffle as a sign of a rift between the military and the Government. One international press piece quoted an overseas defense analyst as saying the generals were fired because they were corrupt and pro-China. The same article also had a former insider who left Vietnam for France in the early 1990's saying that the PM's decision was an "important political event" because it revealed "serious disagreements" between military leaders and the central government.

16. (C) Former Quan Doi Nhan Dan editor Colonel Nhung, who maintains strong ties to military and Party hierarchies, took issue with these portrayals. He emphasized that the generals were not fired and in fact many of the Army officers had received promotions. For example, PM Dung named the Commander of the Capital Military Region the Director of the

HANOI 00000947 002.2 OF 002

Ministry of Defense Academy, a move viewed in Vietnamese military circles as a promotion. Colonel Nhung scoffed at the suggestion that PM Dung was trying to reassert his authority and make clear he remained very much in charge in response to Party grumbling over his management of the economy. Minister of Defense Phung Quang Thanh proposed the personnel moves, the Politburo accepted them and PM Dung issued the orders, Nhung said. The current economic situation has hurt Dung's reputation, but his overall position remains strong, Nhung added.

Comment: Zeroing In on Public Opinion

17. (C) President Triet has a reputation as an economic reformer and anti-corruption crusader. In addition, he has proven to be more competent and dynamic than his predecessor and his retirement would be a loss for the Party's economic reform wing. Politburo members' fear that Triet stepping down now would not look good shows just how focused they are on public opinion. Sentiment among private sector Vietnamese business leaders in the south tends to support this view. While PM Dung is frequently the target of complaints about the GVN's lack of success in reigning in corruption and the excesses of giant State-Owned Enterprises (SOEs), President Triet has been almost entirely immune to such criticisms. The worst complaints against Triet tend to be that he should be more active in pushing his pro-reform agenda. As for the Army personnel moves, PM Dung and Defense Minister Thanh appear to see eye-to-eye on them despite the two leaders reportedly belonging to different factions.

18. (U) This cable was coordinated with ConGen Ho Chi Minh City.
MICHALAK